

ALBION-SCIPIO TRENTON-BLACK RIVER FORMATION TREND FIELD -AMENDED

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
SUPERVISOR OF WELLS

OPINION AND ORDER OF THE SUPERVISOR OF WELLS

On July 24, 1984, a public hearing was held before the Supervisor of Wells and the Advisory Board. The hearing was conducted pursuant to Act 61, PA 1939, as amended, and the promulgated rules. The purpose of the hearing was to consider the petition of the Staff of the Geological Survey Division concerning the Albion-Scipio Trenton-Black River Formation Field.

FINDINGS OF FACT

1. Petitioner, the Staff of the Geological Survey Division, is charged with the day to day administration of Act 61, P A 1939, as amended. The Staff proposed that the Albion-Scipio Trenton-Black River Formation Trend Field be expanded; that oil proration be abrogated for all portions of the field for all wells north of Township 6 South; and that an oil and gas proration be established for all portions of the field for all wells south of Township 5 South.

2. Staff testified that wells in the field located north of Township 6 South are not capable of making the oil allowable and are gas limited. It was their recommendation that oil proration be abrogated and that gas production continue to be prorated at 150 thousand cubic feet of gas per day for full allowable wells. This would also reduce record keeping. I find that oil proration for the described area is no longer necessary to prevent waste.

3. Continuing development of the field indicates a southward trend for production. To continue uniform spacing, it was proposed that 20-acre spacing be expanded with the wells drilled in the center of the Northwest One Quarter and Southeast One Quarter of each quarter-quarter section for a full allowable location. It was staff recommendation that oil and gas proration be set at 110 barrels of oil per day and/or 150 thousand cubic feet of gas per day for full allowable wells, south of Township 5 South.

The area proposed for inclusion in the Field is described as:

Hillsdale County

Adams Township (T.6S., R.2W.) Sections 25 thru 29, 33 thru 36.

Jefferson Township (T.7S., R.2W.) Sections 1 thru 4, 10 thru 15, 23 thru 25.

Wheatland Township (T.6S., R.1W.) Sections 30 thru 32.

Pittsford Township (T.7S., R.1W.) Sections 4 thru 10, 14 thru 36.

Wright Township (T.8S., R.1W.) Sections 1 thru 6, 8 thru 12.

ALBION-SCIPIO TRENTON-BLACK RIVER FORMATION TREND FIELD-AMENDED

Further, sections along the west side of Wheatland, Pittsford, and Wright Townships are fractional correction sections. The west quarter-quarter sections are 19 to 24 acres in size. It was proposed that these fractional quarter-quarter sections be treated as drilling units with a full allowable well location in the center of the unit. Wells on such units may be drilled at other locations with a proration penalty.

I find that further extension of the provisions of the Albion-Scipio Trenton-Black River Formation Field orders is necessary for the orderly development of the field.

CONCLUSIONS OF LAW

Act 61 of P A 1939, as amended, Sec. 6 (L) and Rule 299.1203 provide that the Supervisor may fix the spacing and proration of wells and adopt special spacing orders for fields or geological formations.

OPINION AND ORDER

Based on the evidence and after consulting with the Advisory Board, it is the opinion of the Supervisor that the petition of the Staff be granted. Now, therefore,

It is Ordered:

1.) This order shall establish spacing and proration for the entire field, with the exception of certain existing orders that apply specifically to individual wells and/or leases. All prior general spacing and proration orders are abrogated for the Albion-Scipio Trenton-Black River Formation Field.

2.) The Albion-Scipio Trenton-Black River Formation Field is established for the following described area:

T.1S., R.5W., Lee Township, Calhoun County

Sections: 3 thru 11, 13 thru 17, 20 thru 28, 33 thru 36

T.1S., R.4W., Clarence Township, Calhoun County

Sections: 30 thru 32

T.2S., R.5W., Marengo Township, Calhoun County

Sections: 1 thru 3, 10 thru 14, 23 thru 25

T.2S., R.4W., Sheridan Township, Calhoun County

Sections: 4 thru 10, 15 thru 23, 25 thru 36

ALBION-SCIPIO TRENTON-BLACK RIVER FORMATION TREND FIELD-AMENDED

T.3S., R.4W., Albion Township, Calhoun County

Sections: 1 thru 5, 9 thru 16, 21 thru 28, 33 thru 36

T.4S., R.4W., Homer Township, Calhoun County

Sections: 1, 2, 11 thru 14, 24, 25

T.3S., R.3W., Concord Township, Jackson County

Sections: 30, 31

T.4S., R.3W., Pulaski Township, Jackson County

Sections: 5 thru 8, 17 thru 21, 27 thru 35

T.5S., R.3W., Scipio Township, Hillsdale County

Sections: 2 thru 4, 9 thru 16, 22 thru 26

T.5S., R.2W., Moscow Township, Hillsdale County

Sections: 18, 19, 30 thru 33

T.5S., R.3W., Fayette Township, Hillsdale County

Sections: 35, 36

T.6S., R.3W., Fayette Township, Hillsdale County

Sections: 1, 2, 12, 13

T.6S., R.2W., Adams Township, Hillsdale County

Sections: 3 thru 11, 14 thru 18, 20 thru 29,
33 thru 36

T.7S., R.2W., Jefferson Township, Hillsdale County

Sections: 1 thru 4, 10 thru 15, 23 thru 25

T.6S., R.1W., Wheatland Township, Hillsdale County

Sections: 30 thru 32

T.7S., R.1W., Pittsford Township, Hillsdale County

Sections: 4 thru 10, 14 thru 36

T.8S., R.1W., Wright Township, Hillsdale County

Sections: 1 thru 6, 8 thru 12.

3.) DRILLING UNIT AND WELL SPACING PATTERN

A. The drilling unit for wells drilled for oil and gas in the field defined in 2) above shall be a twenty-acre tract rectangular in shape formed by dividing a governmental surveyed quarter-quarter section of land into a west half and an east half thereof.

B. Permits shall be issued for wells at full allowable locations in the center of the northwest one quarter or the center of the southeast one quarter of the governmental surveyed quarter-quarter section of land, or for partial allowable locations at any point along a line drawn between the center of the north half and the center of the south half of the prescribed 20-acre drilling unit with the wells being no closer than 330 feet from the unit lines except as specified in the amendments as follows:

Amendment (1):

The drilling units for wells drilled on fractional quarter-quarter sections consisting of twenty acres, more or less, along the west side of sections 30 and 31, T.1S., R.4W., Clarence Township, and along the west side of sections 6, 7, 18, 19, 30, and 31, T.2S., R.4W., Sheridan Township, Calhoun County, shall be one well to each fractional quarter-quarter section.

Any well drilled on the fractional quarter-quarter sections described in this amendment shall be located in the approximate center thereof.

Amendment (2):

The drilling unit for wells drilled on fractional quarter-quarter sections consisting of fifty acres, more or less, in sections 1 and 2, T.4S., R.4W., Homer Township, Calhoun County, and sections 5 and 6, T.4S., R.3W., Pulaski Township, Jackson County, shall be determined as follows:

- (a) The south 1320 feet or 40 acres of each fractional quarter-quarter section shall be drilled in conformance with the regular units and pattern described in 3.)A. and 3.)B. above.

- (b) The remaining 20 acres, more or less, along the north side of each quarter section shall be an additional drilling unit and the well drilled thereon shall be located in the approximate center thereof.

Amendment (3):

The drilling unit for wells drilled on fractional quarter-quarter sections consisting of twenty acres, more or less, along the north side of sections 1, 2, 3, and 4, T.5S., R.3W., Scipio Township, Hillsdale County, shall be one well to each fractional quarter section.

Any well drilled on the fractional quarter-quarter section units as described above shall be located as follows:

- (a) Where the north-south dimension of a unit is greater than 660 feet, the well shall be located in the center of an approximate square ten-acre tract formed in the northwest or the southeast corner thereof.
- (b) Where the north-south dimension of such units is less than 660 feet, the well shall be located in the center of the east one half ($\frac{1}{2}$) or the center of the west one half ($\frac{1}{2}$) thereof.

Amendment (4):

The fractional quarter-quarter sections consisting of approximately 19 to 24 acres along the west side of T.6S, R.1W, Wheatland Township, Hillsdale County; T.7S, R.1W, Pittsford Township, Hillsdale County; and T.8S, R.1W, Wright Township, Hillsdale County, shall be considered full drilling units, with the full allowable location being the center of the drilling unit. Other drilling locations on the unit shall have a penalty applied to the allowable as described in item 4.) below.

4.) PRORATION ALLOWABLES

The allowable production per day for full allowable wells South of T.5S shall be 110 barrels of oil per day and/or 150 thousand cubic feet of gas per day, except as provided below. The allowable production per day for full allowable wells North of T.6S. shall be 150 thousand cubic feet of gas per day with no oil limitation, except as provided below:

For a drilling unit as specified in 3.B), above, a partial allowable will be applied proportional to the distance along the unit center line between the full allowable location of the well and a 50 per cent allowable location at the center of the opposite 10 acres of the drill-

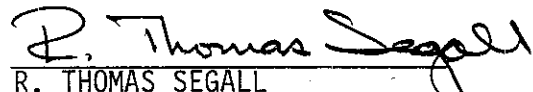
ing unit. (As shown in Exhibit "A".)

For a drilling unit as specified in 3.B), Amendment 2 and Amendment 4 above, a partial allowable will be applied proportional to the distance between the mid-point along the center line approximately 330 feet from either side of the unit, to a 50 per cent allowable location at either end of the line, 330 feet from the end unit lines. (As shown in Exhibit "B".).

5.) EXCEPTIONS TO ORDER

Exceptions to the order specified herein may be granted by the Supervisor of Wells as provided for in Section 13, Act 61, Public Acts of the State of Michigan, 1939, as amended.

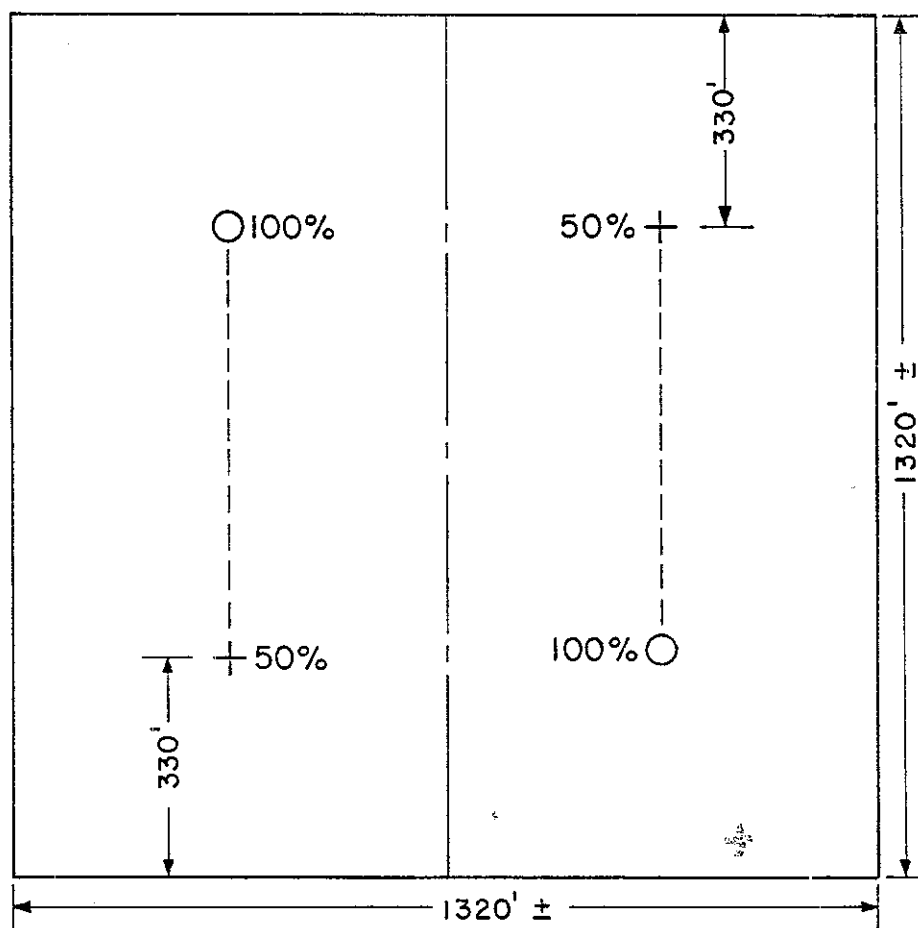
Dated: September 17, 1984


R. THOMAS SEGALL
ASSISTANT SUPERVISOR OF WELLS

ALBION-SCIPIO TRENTON BLACK RIVER FORMATION
TREND FIELD AS AMENDED

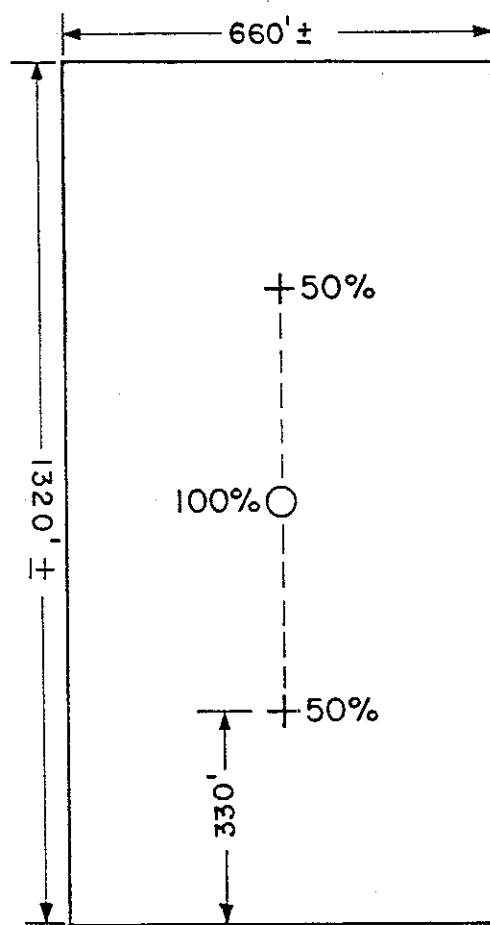
EXHIBIT "A"

NORMAL QUARTER - QUARTER SECTION



ORDER NO. 9-7-84
Effective September 17, 1984

EXHIBIT "B"
FRACTIONAL QUARTER - QUARTER SECTION



OR

